

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
MINUTES OF THE
RULES AND PERSONNEL COMMITTEE
January 8, 2018

The Rules and Personnel Committee of the Board of Trustees of the State Employees' Retirement System of Illinois convened on Monday, January 8, 2018 at 2:00 p.m. at the System's Springfield office located at 2101 South Veterans Parkway.

The following trustees were in attendance:

Alan Latoza, Chairman
Danny Silverthorn, Trustee
Jeremy "Tad" Hawk, Trustee

Others in attendance were:

Timothy Blair, Executive Secretary
Jeff Houch, Assistant to the Executive Secretary

The meeting was called to order at 2:00 p.m. Assistant to the Executive Secretary Jeff Houch took the roll call.

PUBLIC COMMENTS

There were no members of the public present.

CHAIRMEN'S REPORT

Chairman Latoza had nothing to report.

REPORT OF ANY TRUSTEE

No Trustee offered a report.

APPROVAL OF MINUTES OF THE JULY 24, 2017 MEETING

Trustee Silverthorn motioned to approve the minutes of the July 24, 2017 meeting of the committee, Chairman Latoza seconded the motion. The motion passed unanimously.

REVIEW OF LEGISLATION

Mr. Houch reviewed the Governor's veto of HB 2496, which would have provided administrative changes to the SERS article related to the disability benefits program. Conversation then focused on the trailer bill to Public 100-0023, which created a new benefit plan for those employees subject to Tier 2 that are not coordinated with Social Security. Mr. Houch summarized the factors that have led to the lack of the passage of such bill.

APPROVAL OF NEW RULEMAKING

The committee was presented with a new potential rule to clarify that only active contributing employees in service at the time of incurring a disabling condition are eligible for disability benefits.

The background generating this potential rule involved a recent inquiry from a member that has yet to retire. Such member was considering a position that required Senate confirmation. Individuals taking positions that require Senate approval have the ability to opt out of service for time spent in that position. This member inquired if he would be eligible for SERS disability benefits if he opted out of service.

After reviewing the statute and rules, it was concluded that there is ambiguity. This is because throughout the disability benefits provisions of statute and rules, the term member is referenced. Member as defined in statute includes inactives (or those no longer actively contributing). The intent of the plan design is that only those that incur a disabling condition while in active service are eligible for disability benefits. This rule will clear up that ambiguity and eliminate any argument that is contrary to the intent of the plan design.

After some brief discussion, Trustee Hawk motioned to authorized staff to pursue rulemaking to clarify that that only active contributing employees in service at the time of incurring a disabling condition are eligible for disability benefits. Trustee Latoza seconded the motion, and it passed unanimously.

OLD BUSINESS

Trustee Silverthorn renewed conversations from previous meetings related to compensation studies of management level staff. Secretary Blair laid out the dynamics and challenges associated with salary levels of such employees. After some discussion, Secretary Blair agreed to provide to the committee a potential salary schedule and process that would allow the Board to authorize salary increases for those employees not covered by the State's collective bargaining agreement.

NEW BUSINESS

There was no new business.

ADJOURNMENT

There being no further business to be brought before the committee, Trustee Silverthorn made the motion to adjourn the meeting. Chairman Latoza seconded the motion and the meeting was adjourned at 3:50 p.m.